

# Senate Study Bill 3012

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
TRANSPORTATION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to duties and activities of the state department  
2 of transportation, including the registration and titling of  
3 motor vehicles, and providing effective dates.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5182DP 80  
6 dea/cf/24

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1 1 Section 1. Section 321.15, Code 2003, is amended to read  
1 2 as follows:  
1 3 321.15 PUBLICATION OF LAW.  
1 4 The department shall issue, in pamphlet or electronic form,  
1 5 such parts of this chapter ~~in pamphlet form,~~ together with  
1 6 such rules, instructions, and explanatory matter as may seem  
1 7 advisable. ~~Copies of such pamphlet~~ Such information shall be  
1 8 ~~given as wide distribution~~ distributed as determined by the  
1 9 ~~department shall determine and a supply~~ shall be furnished to  
1 10 each county treasurer.  
1 11 Sec. 2. Section 321.20, Code Supplement 2003, is amended  
1 12 to read as follows:  
1 13 321.20 APPLICATION FOR REGISTRATION AND CERTIFICATE OF  
1 14 TITLE.  
1 15 Except as provided in this chapter, an owner of a vehicle  
1 16 subject to registration shall make application to the county  
1 17 treasurer, of the county of the owner's residence, or if a  
1 18 nonresident, to the county treasurer of the county where the  
1 19 primary users of the vehicle are located, or if a lessor of  
1 20 the vehicle pursuant to chapter 321F which vehicle has a gross  
1 21 vehicle weight of less than ten thousand pounds, to the county  
1 22 treasurer of the county of the lessee's residence, for the  
1 23 registration and issuance of a certificate of title for the  
1 24 vehicle upon the appropriate form furnished by the department.  
1 25 However, upon the transfer of ownership, the owner of a  
1 26 vehicle subject to the proportional registration provisions of  
1 27 chapter 326 shall make application for registration and  
1 28 issuance of a certificate of title to either the department or  
1 29 the appropriate county treasurer. The application shall be  
1 30 accompanied by a fee of ten dollars, and shall bear the  
1 31 owner's signature ~~written with pen and ink.~~ A nonresident  
1 32 owner of two or more vehicles subject to registration may make  
1 33 application for registration and issuance of a certificate of  
1 34 title for all vehicles subject to registration to the county  
1 35 treasurer of the county where the primary user of any of the  
2 1 vehicles is located. The owner of a mobile home or ~~of a~~  
2 2 manufactured home shall make application for a certificate of  
2 3 title under this section. The application shall contain:  
2 4 1. The full legal name; social security number or, ~~if the~~  
2 5 ~~owner does not have a social security number but has a~~  
2 6 ~~passport, the passport number; Iowa driver's license number,~~  
2 7 ~~whether the license was issued by this state, another state,~~  
2 8 ~~another country, or is an international driver's license or~~  
2 9 ~~Iowa nonoperator's identification card number;~~ date of birth;  
2 10 bona fide residence; and mailing address of the owner and of  
2 11 the lessee if the vehicle is being leased. If the owner or  
2 12 lessee is a firm, association, or corporation, the application  
2 13 shall contain the bona fide business address and federal  
2 14 employer identification number of the owner or lessee. Up to  
2 15 three owners' names may be listed on the application.  
2 16 Information relating to the lessee of a vehicle shall not be  
2 17 required on an application for registration and a certificate  
2 18 of title for a vehicle with a gross vehicle weight rating of  
2 19 ten thousand pounds or more.  
2 20 2. A description of the vehicle including, insofar as the  
2 21 specified data may exist with respect to a given vehicle, the  
2 22 make, model, type of body, the number of cylinders, the type

2 23 of motor fuel used, the serial number of the vehicle,  
2 24 ~~manufacturer's vehicle~~ identification number, ~~the engine~~ or  
2 25 other assigned number, ~~of the vehicle~~ and whether new or used  
2 26 and, if a new vehicle, the date of sale by the manufacturer or  
2 27 dealer to the person intending to operate ~~such the~~ vehicle.  
2 28 If the vehicle is a new low-speed vehicle, the manufacturer's  
2 29 or importer's certificate required to accompany the  
2 30 application under subsection 4 shall certify that the vehicle  
2 31 was manufactured in compliance with the national highway ~~and~~  
2 32 traffic safety administration standards for low-speed vehicles  
2 33 in 49 C.F.R. } 571.500.  
2 34 3. Such further information as may reasonably be required  
2 35 by the department.  
3 1 4. A statement of the applicant's title and of all liens  
3 2 or encumbrances upon ~~said the~~ vehicle and the names and bona  
3 3 fide addresses of all persons having any interest ~~therein in~~  
3 4 the vehicle and the nature of every such interest. When ~~such~~  
3 5 the application refers to a new vehicle, it shall be  
3 6 accompanied by a manufacturer's or importer's certificate duly  
3 7 assigned as provided in section 321.45.  
3 8 5. The amount of tax to be paid under section 423.7.  
3 9 6. If the vehicle is owned by a nonresident but is subject  
3 10 to issuance of an Iowa certificate of title or registration,  
3 11 the application shall also contain the full legal name, ~~social~~  
3 12 ~~security number, or, if the primary user does not have a~~  
3 13 ~~social security number but has a passport, the passport~~  
3 14 ~~number, Iowa driver's license number, whether the license was~~  
3 15 ~~issued by this state, another state, another country, or is an~~  
3 16 ~~international driver's license, or Iowa nonoperator's~~  
3 17 ~~identification card number, date of birth, bona fide~~  
3 18 ~~residence, and mailing address of the primary user of the~~  
3 19 ~~vehicle.~~ If the primary user is a firm, association, or  
3 20 corporation, the application shall contain the bona fide  
3 21 business address and federal employer identification number of  
3 22 the primary user. The primary user's name and address shall  
3 23 not be printed on the registration receipt or the certificate  
3 24 of title.  
3 25 Notwithstanding contrary provisions of this chapter or  
3 26 chapter 326 regarding titling and registration by means other  
3 27 than electronic means, the department may develop and  
3 28 implement a program to ~~test the feasibility of~~ allow for  
3 29 electronic applications, titling, registering, and electronic  
3 30 funds transfer for vehicles ~~traveling in interstate commerce~~  
3 31 subject to registration in order to improve the efficiency and  
3 32 timeliness of the processes and to reduce costs for all  
3 33 parties involved.  
3 34 The department shall adopt rules on the method for  
3 35 providing signatures for applications made by electronic  
4 1 means.  
4 2 Sec. 3. Section 321.20A, subsection 1, Code 2003, is  
4 3 amended to read as follows:  
4 4 1. Notwithstanding other provisions of this chapter, the  
4 5 owner of a commercial vehicle subject to the proportional  
4 6 registration provisions of chapter 326 may make application to  
4 7 the department or the appropriate county treasurer for a  
4 8 certificate of title. The application for certificate of  
4 9 title shall be made within thirty days of purchase or transfer  
4 10 and shall be accompanied by a ten dollar title fee and the  
4 11 appropriate use tax. The department or the county treasurer  
4 12 shall deliver the certificate of title to the owner if there  
4 13 is no security interest or encumbrance appears on the  
4 14 certificate or to the person holding the first security  
4 15 interest or encumbrance shown on the certificate of title. If  
4 16 there is a security interest, the title, when issued, shall be  
4 17 delivered to the first secured party. Delivery may be made  
4 18 using electronic means.  
4 19 Sec. 4. Section 321.24, subsections 3, 7, 8, and 11, Code  
4 20 Supplement 2003, are amended to read as follows:  
4 21 3. The certificate of title shall contain upon its face  
4 22 the identical information required upon the face of the  
4 23 registration receipt. In addition, the certificate of title  
4 24 shall contain a statement of the owner's title, the title  
4 25 number assigned to the owner or owners of the vehicle, the  
4 26 amount of tax paid pursuant to section 423.7, the name and  
4 27 address of the previous owner, and a statement of all security  
4 28 interests and encumbrances as shown in the application, upon  
4 29 the vehicle described, including the nature of the security  
4 30 interest, date of ~~notation~~ delivery, and name and address of  
4 31 the secured party.  
4 32 7. The certificate shall ~~bear the seal~~ contain the name of  
4 33 the county treasurer or of the department, ~~and, if the~~

4 34 certificate of title is printed. the signature of the county  
4 35 treasurer, the deputy county treasurer, or the department  
5 1 director or deputy designee. The certificate of title shall  
5 2 contain upon the reverse side a form for assignment of title  
5 3 or interest and warranty by the owner, for reassignments by a  
5 4 dealer licensed in this state or in another state if the state  
5 5 in which the dealer is licensed permits Iowa licensed dealers  
5 6 to similarly reassign certificates of title. ~~Attached to the~~  
~~5 7 certificate of title shall be an application for a new~~  
~~5 8 certificate of title by the transferee as provided in this~~  
~~5 9 chapter.~~ However, titles for mobile homes or manufactured  
5 10 homes shall not be reassigned by licensed dealers. ~~All~~  
~~5 11 certificates of title shall be typewritten or printed by other~~  
~~5 12 mechanical means.~~ Notwithstanding section 321.1, subsection  
5 13 17, as used in this paragraph "dealer" means every person  
5 14 engaged in the business of buying, selling, or exchanging  
5 15 vehicles of a type required to be registered under this  
5 16 chapter.

5 17 8. The original certificate of title shall be delivered to  
5 18 the owner if there is no security interest ~~or encumbrance~~  
~~5 19 appears on the certificate.~~ Otherwise the certificate of  
5 20 title shall be delivered by the county treasurer or the  
5 21 department to the person holding the first security interest  
5 22 ~~or encumbrance as shown in the certificate.~~ Delivery may be  
5 23 made using electronic means.

5 24 11. If the county treasurer or department is not satisfied  
5 25 as to the ownership of the vehicle or that there are no  
5 26 undisclosed security interests in it, or a junking certificate  
5 27 has been issued for the vehicle but a certificate of title  
5 28 will not be reissued under section 321.52, subsection 3, and  
5 29 the vehicle qualifies as an antique vehicle under section  
5 30 321.115, subsection 1, the county treasurer or department may  
5 31 register the vehicle but shall, as a condition of issuing a  
5 32 certificate of title and registration receipt, require the  
5 33 applicant to file with the department a bond in the form  
5 34 prescribed by the department and executed by the applicant,  
5 35 and either accompanied by the deposit of cash with the  
6 1 department or also executed by a person authorized to conduct  
6 2 a surety business in this state. The bond shall be in an  
6 3 amount equal to one and one-half times the current value of  
6 4 the vehicle as determined by the department and conditioned to  
6 5 indemnify any prior owner and secured party and any subsequent  
6 6 purchaser of the vehicle or person acquiring any security  
6 7 interest in it, and their respective successors in interest,  
6 8 against any expense, loss, or damage, including reasonable  
6 9 attorney's fees, by reason of the issuance of the certificate  
6 10 of title of the vehicle or on account of any defect in or  
6 11 undisclosed security interest upon the right, title and  
6 12 interest of the applicant in and to the vehicle. Any such  
6 13 interested person has a right of action to recover on the bond  
6 14 for any breach of its conditions, but the aggregate liability  
6 15 of the surety to all persons shall not exceed the amount of  
6 16 the bond. The bond, and any deposit accompanying it, shall be  
6 17 returned at the end of three years or prior thereto if the  
6 18 vehicle is no longer registered in this state and the  
6 19 currently valid certificate of title is surrendered to the  
6 20 department, unless the department has been notified of the  
6 21 pendency of an action to recover on the bond. The department  
6 22 may authorize issuance of a certificate of title as provided  
6 23 in this subsection for a vehicle with an unreleased security  
6 24 interest upon presentation of satisfactory evidence that the  
6 25 security interest has been extinguished and the holder of the  
6 26 security interest cannot be located to release the security  
6 27 interest as provided in section 321.50.

6 28 Sec. 5. Section 321.31, subsection 2, unnumbered paragraph  
6 29 1, Code Supplement 2003, is amended to read as follows:  
6 30 Each county treasurer's office shall maintain a county  
6 31 records system for vehicle registration and certificate of  
6 32 title documents. The records system shall consist of  
6 33 information from the certificate of title, including the  
6 34 ~~notation date of delivery~~ and cancellation of security  
6 35 interests, and information from the registration receipt. The  
7 1 information shall be maintained in a manner approved by the  
7 2 department.

7 3 Sec. 6. Section 321.34, subsection 11, paragraph d, Code  
7 4 Supplement 2003, is amended to read as follows:  
7 5 d. Upon receipt of the special registration plates, the  
7 6 applicant shall surrender the current registration ~~receipt and~~  
7 7 plates to the county treasurer. The county treasurer shall  
7 8 validate the special registration plates in the same manner as  
7 9 regular registration plates are validated under this section.

7 10 The annual special natural resources fee for letter number  
7 11 designated plates is ten dollars which shall be paid in  
7 12 addition to the regular annual registration fee. The annual  
7 13 fee for personalized natural resources plates is five dollars  
7 14 which shall be paid in addition to the annual special natural  
7 15 resources fee and the regular annual registration fee. The  
7 16 annual special natural resources fee shall be credited as  
7 17 provided under paragraph "c".

7 18 Sec. 7. Section 321.34, subsection 11A, paragraph d, Code  
7 19 Supplement 2003, is amended to read as follows:

7 20 d. Upon receipt of the special registration plates, the  
7 21 applicant shall surrender the current registration ~~receipt and~~  
7 22 plates to the county treasurer. The county treasurer shall  
7 23 validate the special registration plates in the same manner as  
7 24 regular registration plates are validated under this section.  
7 25 The annual special love our kids fee for letter number  
7 26 designated plates is ten dollars, which shall be paid in  
7 27 addition to the regular annual registration fee. The annual  
7 28 fee for personalized love our kids plates is five dollars,  
7 29 which shall be paid in addition to the annual special love our  
7 30 kids fee and the regular annual registration fee. The annual  
7 31 love our kids fee shall be credited as provided under  
7 32 paragraph "c".

7 33 Sec. 8. Section 321.34, subsection 11B, paragraph d, Code  
7 34 Supplement 2003, is amended to read as follows:

7 35 d. Upon receipt of the special registration plates, the  
8 1 applicant shall surrender the current registration ~~receipt and~~  
8 2 plates to the county treasurer. The county treasurer shall  
8 3 validate the special registration plates in the same manner as  
8 4 regular registration plates are validated under this section.  
8 5 The annual special motorcycle rider education fee for letter  
8 6 number designated plates is ten dollars, which shall be paid  
8 7 in addition to the regular annual registration fee. The  
8 8 annual fee for personalized motorcycle rider education plates  
8 9 is five dollars, which shall be paid in addition to the annual  
8 10 special motorcycle rider education fee and the regular annual  
8 11 registration fee. The annual motorcycle rider education fee  
8 12 shall be credited as provided under paragraph "c".

8 13 Sec. 9. Section 321.34, subsection 23, paragraph d, Code  
8 14 Supplement 2003, is amended to read as follows:

8 15 d. Upon receipt of the special registration plates, the  
8 16 applicant shall surrender the current registration ~~receipt and~~  
8 17 plates to the county treasurer. The county treasurer shall  
8 18 validate the special registration plates in the same manner as  
8 19 regular registration plates are validated under this section.  
8 20 The annual special breast cancer awareness fee for letter  
8 21 number designated plates is ten dollars, which shall be paid  
8 22 in addition to the regular annual registration fee. The  
8 23 annual special fee for personalized breast cancer awareness  
8 24 plates is five dollars, which shall be paid in addition to the  
8 25 annual special breast cancer awareness fee and the regular  
8 26 annual registration fee. The annual special breast cancer  
8 27 awareness fee shall be credited and transferred as provided  
8 28 under paragraph "c".

8 29 Sec. 10. Section 321.42, subsection 2, paragraph b, Code  
8 30 2003, is amended to read as follows:

8 31 b. After five days, the department or county treasurer  
8 32 shall issue a replacement copy to using the applicant at the  
8 33 applicant's most recent bona fide address; however, the five=  
8 34 day waiting period does not apply to an applicant who has  
8 35 surrendered the original certificate of title to the  
9 1 department or county treasurer. The replacement copy shall be  
9 2 clearly marked "replacement" and shall include ~~notation of~~  
9 3 security interests and liens or encumbrances. When a  
9 4 replacement copy has been issued, the previous certificate is  
9 5 void. The department or county treasurer is not authorized to  
9 6 refund fees collected for a replacement title under this  
9 7 section or section 321.52A.

9 8 Sec. 11. Section 321.45, subsection 2, paragraph a, Code  
9 9 Supplement 2003, is amended to read as follows:

9 10 a. The perfection of a lien or security interest ~~by~~  
9 11 ~~notation on the certificate of title~~ as provided in section  
9 12 321.50, or

9 13 Sec. 12. Section 321.46, subsection 1, Code 2003, is  
9 14 amended to read as follows:

9 15 1. The transferee shall, within thirty calendar days after  
9 16 purchase or transfer, apply for and obtain from the county  
9 17 treasurer of the person's residence, or, if a nonresident, the  
9 18 county treasurer of the county where the primary users of the  
9 19 vehicle are located or the county where all other vehicles  
9 20 owned by the nonresident are registered, a new registration

9 21 and a new certificate of title for the vehicle except as  
9 22 provided in section 321.25, 321.48, or 322G.12. The  
9 23 transferee shall present with the application the certificate  
9 24 of title endorsed and assigned by the previous owner and shall  
9 25 indicate the name of the county in which the vehicle was last  
9 26 registered and the registration expiration date. ~~Unless the~~  
~~9 27 transferee is a manufacturer obtaining a new certificate of~~  
~~9 28 title pursuant to section 322G.12, the transferee shall be~~  
~~9 29 required to list a driver's license number.~~

9 30 Sec. 13. Section 321.46, subsection 3, paragraph f, Code  
9 31 2003, is amended by striking the paragraph.

9 32 Sec. 14. Section 321.50, subsections 1 through 4, Code  
9 33 Supplement 2003, are amended the read as follows:

9 34 1. A security interest in a vehicle subject to  
9 35 registration under the laws of this state or a mobile home or  
10 1 manufactured home, except trailers whose empty weight is two  
10 2 thousand pounds or less, and except new or used vehicles held  
10 3 by a dealer or manufacturer as inventory for sale, is  
10 4 perfected by the delivery to the county treasurer of the  
10 5 county where the certificate of title was issued or, in the  
10 6 case of a new certificate, to the county treasurer where the  
10 7 certificate will be issued, of an application for certificate  
10 8 of title which lists the security interest, or an application  
10 9 for notation of security interest signed by the owner, or by  
10 10 one owner of a vehicle owned jointly by more than one person,  
10 11 or signed through electronic means as determined by the  
~~10 12 department,~~ or a certificate of title from another  
10 13 jurisdiction which shows the security interest, and payment of  
10 14 a fee of five dollars for each security interest shown. The  
~~10 15 department shall require the federal employer identification~~  
~~10 16 number of a secured party who is a firm, association, or~~  
~~10 17 corporation or, if a natural person, the social security~~  
~~10 18 number. Upon delivery of the application and payment of the~~  
~~10 19 fee, the county treasurer shall note the date of delivery on~~  
~~10 20 the application. The date of delivery shall be the date of~~  
~~10 21 perfection of the security interest in the vehicle, regardless~~  
~~10 22 of the date the security interest is noted on the certificate~~  
~~10 23 of title.~~ Up to three security interests may be perfected  
10 24 against a vehicle and shown on an Iowa certificate of title.  
10 25 If the owner or secured party is in possession of the  
10 26 certificate of title, it must also be delivered at this time  
10 27 ~~in order to perfect the security interest.~~ If a vehicle is  
10 28 subject to a security interest when brought into this state,  
10 29 the validity of the security interest and the date of  
10 30 perfection is determined by section 554.9303. Delivery as  
10 31 provided in this subsection ~~is an indication constitutes~~  
~~10 32 perfection~~ of a security interest on a certificate of title  
10 33 for purposes of ~~this chapter and chapter 554.~~

10 34 2. Upon receipt of the application and the required fee,  
10 35 ~~if the certificate of title was not delivered to the county~~  
~~11 1 treasurer along with the application,~~ the county treasurer  
11 2 shall notify the holder of the certificate of title to deliver  
11 3 to the county treasurer, within five days from the receipt of  
11 4 notice, the certificate of title to permit notation of the  
11 5 security interest. If the holder of the certificate of title  
11 6 ~~shall fail fails~~ to deliver it within ~~the said~~ five days, the  
11 7 holder shall be liable to anyone harmed by the holder's  
11 8 failure.

11 9 3. Upon receipt of the application, the certificate of  
11 10 title, if any, and the required fee, the county treasurer  
11 11 shall note ~~such the~~ security interest, and the date ~~thereof,~~  
11 12 ~~of delivery of the security interest on the certificate over~~  
~~11 13 the signature of such officer or deputy and the seal of office~~  
~~11 14 of title.~~ The county treasurer shall also note ~~such the~~  
11 15 security interest and the date ~~thereof of delivery of the~~  
11 16 ~~security interest~~ in the county records system. Upon receipt  
11 17 of a certificate of title issued by a foreign jurisdiction, on  
11 18 which a security interest has been noted, the county treasurer  
11 19 shall note the security interest and the date the security  
11 20 interest was noted on the foreign certificate of title, if  
11 21 available, or if not, the date of issuance of the foreign  
11 22 certificate of title, on the face of the new certificate of  
11 23 title. The county treasurer shall also note the security  
11 24 interest and the date that was noted on the certificate of  
11 25 title in the county records system. The county treasurer  
11 26 shall then ~~mail deliver~~ the certificate of title to the first  
11 27 secured party as shown thereon.

11 28 3A. Notwithstanding any provision of this section to the  
11 29 contrary, if a security interest has been delivered by  
11 30 electronic means, the county treasurer or department shall not  
11 31 print a certificate of title until all security interests have

11 32 been released, but shall provide the first security interest  
11 33 holder with an electronic record of the certificate of title.  
11 34 When a vehicle is subject to an electronic lien, the  
11 35 certificate of title for the vehicle shall be considered to be  
12 1 physically held by the lienholder for purposes of compliance  
12 2 with odometer disclosure requirements under section 321.71.  
12 3 4. a. When a security interest is discharged, the holder  
12 4 shall note a cancellation of ~~same~~ the security interest on the  
12 5 face of the certificate of title over the holder's signature,  
12 6 and deliver the certificate of title to the county treasurer  
12 7 where the title was issued. In the case of a security  
12 8 interest that has been delivered by electronic means, the  
12 9 holder shall notify the department or the county treasurer, in  
12 10 a manner prescribed by the department, of the release of the  
12 11 security interest. The county treasurer shall immediately  
12 12 note the cancellation of the security interest on the face of  
12 13 the certificate of title, if applicable, and in the county  
12 14 records system. The county treasurer shall on the same day  
12 15 deliver the certificate of title, if applicable, to the then  
12 16 first secured party or, if there is no such person, to the  
12 17 person as directed by the owner, in writing, on a form  
12 18 prescribed by the department or, if there is no person  
12 19 designated, then to the owner. The cancellation of the  
12 20 security interest shall be noted on the certificate of title  
12 21 by the county treasurer without charge. The holder of a  
12 22 security interest discharged by payment who fails to release  
12 23 the security interest within fifteen days after being  
12 24 requested in writing to do so shall forfeit to the person  
12 25 making the payment the sum of twenty-five dollars.  
12 26 b. If a lien has been released by the lienholder but has  
12 27 not been sent to the county of record for clearance of the  
12 28 lien, any county may note the release on the face of the title  
12 29 and shall notify the county of record that the lien has been  
12 30 released as of the specified date, and shall make entry upon  
12 31 the computer system. Notification to the county of record  
12 32 shall be made by an automated statewide system, or by sending  
12 33 a photocopy of the released title to the county of record.  
12 34 c. When a security interest is discharged, the lienholder  
12 35 shall note the cancellation of the security interest on the  
13 1 face of the title and, if applicable, may note the  
13 2 cancellation of the security interest on a form prescribed by  
13 3 the department and deliver a copy of the form in lieu of the  
13 4 title to the department or to the treasurer of the county in  
13 5 which the title was issued. The form may be delivered by  
13 6 electronic means. The department or county treasurer shall  
13 7 note the release of the security interest upon the statewide  
13 8 computer system and the county's records. A copy of the form,  
13 9 if used, shall be attached to the title by the lienholder, if  
13 10 the title is held by the lienholder, and shall be evidence of  
13 11 the release of the security interest. ~~The~~ If the title is  
13 12 held by the lienholder, the lienholder shall deliver the title  
13 13 to the first lienholder, or if there is no such person, to the  
13 14 person as designated by the owner, or if there is no such  
13 15 person designated, to the owner. If a certificate of title  
13 16 has not been issued, upon release of a security interest, the  
13 17 lienholder shall notify the department or the county  
13 18 treasurer, in a manner prescribed by the department, of the  
13 19 release of the security interest.  
13 20 Sec. 15. Section 321.50, subsection 6, unnumbered  
13 21 paragraph 2, Code Supplement 2003, is amended to read as  
13 22 follows:  
13 23 This subsection is repealed effective ~~July 1, 2004~~ January  
13 24 1, 2005.  
13 25 Sec. 16. Section 321.50, subsection 7, Code Supplement  
13 26 2003, is amended to read as follows:  
13 27 7. Upon request of any person, the county treasurer shall  
13 28 ~~issue a certificate showing~~ certify whether there are, on the  
13 29 date and hour stated therein, any security interests ~~noted on~~  
13 30 ~~a particular vehicle's certificate of title, or liens against~~  
13 31 ~~a vehicle~~ and the name and address of each secured party ~~whose~~  
13 32 ~~security interest is noted thereon.~~ The uniform fee for a  
13 33 ~~written certificate certification~~ shall be two dollars if the  
13 34 request for the ~~certificate certification~~ is on a form  
13 35 conforming to standards prescribed by the secretary of state;  
14 1 otherwise, three dollars. Upon request and payment of the  
14 2 appropriate fee, the county treasurer shall furnish a  
14 3 certified copy of any security ~~interest notations~~ interests  
14 4 for a uniform fee of one dollar per page.  
14 5 Sec. 17. Section 321.74, Code 2003, is amended to read as  
14 6 follows:  
14 7 321.74 ACTION BY DEPARTMENT.

14 8 The department, upon receiving a report of a stolen or  
14 9 embezzled vehicle as ~~hereinbefore~~ provided in section 321.72  
14 10 or 321.73 or through the national motor vehicle title  
14 11 information system, shall file and appropriately index the  
14 12 same and shall immediately suspend the registration of the  
14 13 vehicle so reported and shall not transfer the certificate of  
14 14 title or registration of the same vehicle until such time as  
14 15 ~~it the department~~ is notified in writing that ~~such the~~ vehicle  
14 16 has been recovered.

14 17 Sec. 18. Section 321.101, subsection 2, Code 2003, is  
14 18 amended to read as follows:

14 19 2. The department shall cancel a certificate of title that  
14 20 appears to have been improperly issued or fraudulently  
14 21 obtained or, in the case of a mobile home or manufactured  
14 22 home, if taxes were owing under chapter 435 at the time the  
14 23 certificate was issued and have not been paid. However,  
14 24 before the certificate to a mobile home or manufactured home  
14 25 for which taxes were owing can be canceled, notice and  
14 26 opportunity to pay the taxes must be given to the person to  
14 27 whom the certificate was issued. Upon cancellation of ~~any a~~  
14 28 certificate of title, the department shall notify the county  
14 29 treasurer who issued it, who shall enter the cancellation upon  
14 30 the records. The department shall also notify the person to  
14 31 whom the certificate of title was issued, as well as ~~any~~  
14 32 ~~lienholders appearing on the certificate of title each~~  
14 33 ~~lienholder who has a perfected lien~~, of the cancellation and  
14 34 shall demand the surrender of the certificate of title, but  
14 35 the cancellation shall not affect the validity of any ~~lien~~  
15 1 ~~noted on the certificate of title perfected lien.~~

15 2 Sec. 19. Section 321.109, subsection 1, unnumbered  
15 3 paragraph 1, Code 2003, is amended to read as follows:

15 4 The annual fee for all motor vehicles including vehicles  
15 5 designated by manufacturers as station wagons, and 1993 and  
15 6 subsequent model years for multipurpose vehicles, except motor  
15 7 trucks, motor homes, ambulances, hearses, motorcycles, motor  
15 8 bicycles, and 1992 and older model years for multipurpose  
15 9 vehicles, shall be equal to one percent of the value as fixed  
15 10 by the department plus forty cents for each one hundred pounds  
15 11 or fraction thereof of weight of vehicle, as fixed by the  
15 12 department. The weight of a motor vehicle, fixed by the  
15 13 department for registration purposes, shall include the weight  
15 14 of a battery, heater, bumpers, spare tire, and wheel.  
15 15 Provided, however, that for any new vehicle purchased in this  
15 16 state by a nonresident for removal to the nonresident's state  
15 17 of residence the purchaser may make application to the county  
15 18 treasurer in the county of purchase for a transit plate for  
15 19 which a fee of ten dollars shall be paid. And provided,  
15 20 however, that for any used vehicle held by a registered dealer  
15 21 and not currently registered in this state, or for any vehicle  
15 22 held by an individual and currently registered in this state,  
15 23 when purchased in this state by a nonresident for removal to  
15 24 the nonresident's state of residence, the purchaser may make  
15 25 application to the county treasurer in the county of purchase  
15 26 for a transit plate for which a fee of three dollars shall be  
15 27 paid. The county treasurer shall issue a nontransferable  
15 28 certificate of registration for which no refund shall be  
15 29 allowed; and the transit plates shall be void thirty days  
15 30 after issuance. Such purchaser may apply for a certificate of  
15 31 title by surrendering the manufacturer's or importer's  
15 32 certificate or certificate of title, duly assigned as provided  
15 33 in this chapter. In this event, the treasurer in the county  
15 34 of purchase shall, when satisfied with the genuineness and  
15 35 regularity of the application, and upon payment of a fee of  
16 1 ten dollars, issue a certificate of title in the name and  
16 2 address of the nonresident purchaser delivering the same to  
16 3 the person entitled to the title as provided in this chapter.  
16 4 The application requirements of section 321.20 apply to a  
16 5 title issued as provided in this subsection, except that a  
16 6 natural person who applies for a certificate of title shall  
16 7 provide either the person's social security number, passport  
16 8 number, or driver's license number, whether the license was  
16 9 issued by this state, another state, or another country. The  
16 10 provisions of this subsection relating to multipurpose  
16 11 vehicles are effective January 1, 1993, for all 1993 and  
16 12 subsequent model years. The annual registration fee for  
16 13 multipurpose vehicles that are 1992 model years and older  
16 14 shall be in accordance with section 321.124.

16 15 Sec. 20. Section 321.126, subsection 6, paragraph b, Code  
16 16 2003, is amended by striking the paragraph.

16 17 Sec. 21. Section 321.131, Code 2003, is amended to read as  
16 18 follows:

16 19 321.131 LIEN OF FEE.

16 20 All registration or other fees provided for in this chapter  
16 21 shall ~~be and continue~~ constitute a lien against the vehicle  
16 22 for which ~~said~~ the fees are payable unless otherwise provided  
16 23 in this section until such time as they are paid as provided  
16 24 by law, with any accrued penalties. The county treasurer may  
16 25 perfect a security interest in a vehicle for the amount of  
16 26 such fees ~~by noting the lien upon the certificate of title for~~  
~~16 27 the vehicle~~ as provided in section 321.50. If the lien is not  
16 28 perfected as provided in this section, the lien shall not be  
16 29 valid against a bona fide purchaser of the vehicle without  
16 30 actual notice to the purchaser.

16 31 Sec. 22. Section 321.134, Code 2003, is amended by adding  
16 32 the following new subsection:

16 33 NEW SUBSECTION. 5. The department shall waive the  
16 34 penalties imposed by this section for an owner who is in the  
16 35 military service of the United States and who has been  
17 1 relocated in a time of war on or after September 11, 2001.  
17 2 The department shall adopt rules to implement this subsection,  
17 3 including, if necessary, procedures for refunding penalties  
17 4 collected prior to the effective date of this Act.

17 5 Sec. 23. Section 321.149, Code Supplement 2003, is amended  
17 6 to read as follows:

17 7 321.149 ~~BLANKS~~ SUPPLIES.

~~17 8 The department shall not later than November 15 of each~~  
~~17 9 year~~ prepare and furnish to the treasurer of each county ~~all~~  
~~17 10 blank books, blank forms, and all supplies required for the~~  
17 11 administration of this chapter, ~~including applications for~~  
~~17 12 registration and transfer of vehicles, quintuple receipts, and~~  
~~17 13 original remittance sheets to be used in remitting fees to the~~  
~~17 14 department,~~ in such form as the department may prescribe.

17 15 Contracts for the ~~blank books, blank forms, and supplies~~ shall  
17 16 be awarded by the director of the department of administrative  
17 17 services to persons, firms, partnerships, or corporations  
17 18 engaged in the business of printing in Iowa unless, or through  
17 19 them, the persons, firms, partnerships, or corporations cannot  
17 20 provide the required printing set forth in this section. In  
17 21 lieu of purchasing under competitive bids, the director of the  
17 22 department of administrative services shall have authority to  
17 23 arrange with the director of the department of corrections to  
17 24 furnish the supplies as can be made in the state institutions.

17 25 Sec. 24. Section 321.152, subsection 4, Code 2003, is  
17 26 amended to read as follows:

17 27 4. Sixty percent of all fees collected for ~~notation~~  
17 28 perfection of security interests.

17 29 Sec. 25. Section 321.153, unnumbered paragraph 1, Code  
17 30 2003, is amended to read as follows:

17 31 The county treasurer on the tenth day of each month shall  
17 32 certify ~~under county seal~~ to the department, ~~on forms~~  
~~17 33 furnished by it,~~ a full and complete statement of all fees and  
17 34 penalties received by the county treasurer during the  
17 35 preceding calendar month and shall remit all moneys not  
18 1 retained for deposit under section 321.152 to the treasurer of  
18 2 state.

18 3 Sec. 26. Section 321.160, Code 2003, is amended to read as  
18 4 follows:

18 5 321.160 DEPARTMENT TO ~~PREPARE~~ MAINTAIN STATEMENT.

18 6 The department shall ~~prepare, annually, maintain~~ a  
18 7 statement showing all the different makes and models of motor  
18 8 vehicles previously registered in the department, and all the  
18 9 different makes and models of motor vehicles, statements of  
18 10 which have been filed in the office by the manufacturers as  
18 11 ~~heretofore~~ provided in section 321.157, together with the  
18 12 retail list price and weight of the ~~same~~ vehicles.

18 13 Copies of the statement shall be furnished to each county  
18 14 treasurer and additional copies may be sold by the department  
18 15 to other persons, at a price to be set by the department,  
18 16 covering the approximate cost of ~~same~~ the copies and service  
18 17 involved. Copies of the statement required by this section  
~~18 18 may be provided electronically.~~ All funds received shall be  
18 19 forwarded by the department to the treasurer of state.

18 20 Sec. 27. Section 321J.1A, subsection 2, Code 2003, is  
18 21 amended to read as follows:

18 22 2. The department shall publish pamphlets containing the  
18 23 criminal and administrative penalties for drunk driving, and  
18 24 related laws, rules, instructions, and explanatory matter.  
18 25 This information may be included in ~~pamphlets~~ publications  
18 26 containing information related to other motor vehicle laws,  
18 27 ~~published~~ issued pursuant to section 321.15. Copies of ~~such~~  
18 28 ~~the~~ pamphlets shall be given wide distribution, and a supply  
18 29 shall be made available to each county treasurer.



18 30 Sec. 28. Section 322.13, subsection 1, Code 2003, is  
18 31 amended to read as follows:  
18 32 1. The department shall have full authority to prescribe  
18 33 reasonable rules for the administration and enforcement of  
18 34 this chapter, in addition hereto and not inconsistent  
18 35 herewith. All rules shall be filed and entered by the  
19 1 department in its office in an indexed, permanent book or  
19 2 record, with the effective date thereof suitably indicated,  
19 3 and such book or record shall be a public document. ~~Whenever~~  
19 4 ~~The department may provide notice of a new rule or regulation~~  
19 5 ~~is adopted by the department, a copy of the same shall be~~  
19 6 ~~mailed by it to each licensee hereunder by a posting on the~~  
19 7 ~~department's internet website.~~

19 8 Sec. 29. Section 322.13, subsection 1, Code 2003, is  
19 9 amended to read as follows:  
19 10 1. The department shall have full authority to prescribe  
19 11 reasonable rules for the administration and enforcement of  
19 12 this chapter, in addition hereto and not inconsistent  
19 13 herewith. All rules shall be filed and entered by the  
19 14 department in its office in an indexed, permanent book or  
19 15 record, with the effective date thereof suitably indicated,  
19 16 and such book or record shall be a public document. ~~Whenever~~  
19 17 ~~The department may provide notice of a new rule or regulation~~  
19 18 ~~is adopted by the department, a copy of the same shall be~~  
19 19 ~~mailed by it to each licensee hereunder by a posting on the~~  
19 20 ~~department's internet website.~~

19 21 Sec. 30. Section 326.15, Code 2003, is amended by striking  
19 22 the section and inserting in lieu thereof the following:  
19 23 326.15 REFUNDS OF REGISTRATION FEES.  
19 24 Refunds of registration fees paid for motor vehicles under  
19 25 this chapter shall be in accordance with section 321.126. In  
19 26 addition, if a motor vehicle is removed from an apportioned  
19 27 fleet, the owner in whose name the motor vehicle was  
19 28 registered shall return the registration plate to the  
19 29 department and make a claim for refund. A refund shall not be  
19 30 allowed without documentation of the subsequent registration  
19 31 of the motor vehicle.

19 32 A qualified fleet owner may certify to the department that  
19 33 the registration plate has been destroyed in lieu of  
19 34 surrendering the plate. The department shall adopt rules to  
19 35 define a qualified fleet owner.

20 1 Sec. 31. 2003 Iowa Acts, chapter 8, sections 9, 10, and  
20 2 12, are repealed.

20 3 Sec. 32. 2003 Iowa Acts, chapter 8, section 29, subsection  
20 4 3, is repealed.

20 5 Sec. 33. EFFECTIVE DATES.

20 6 1. Except as provided in subsections 2 through 4, this Act  
20 7 takes effect January 1, 2005.

20 8 2. The sections of this Act amending section 321.46,  
20 9 subsection 3, paragraph "f"; section 321.126, subsection 6,  
20 10 paragraph "b"; and section 326.15, being deemed of immediate  
20 11 importance, take effect upon enactment.

20 12 3. The section of this Act enacting section 321.134,  
20 13 subsection 5, being deemed of immediate importance, takes  
20 14 effect upon enactment.

20 15 4. The sections of this Act amending 2003 Iowa Acts,  
20 16 chapter 8, being deemed of immediate importance, take effect  
20 17 upon enactment.

#### 20 18 EXPLANATION

20 19 This bill makes technical and substantive changes to Code  
20 20 provisions related to registration and titling of motor  
20 21 vehicles as well as to provisions governing miscellaneous  
20 22 administrative duties of the state department of  
20 23 transportation.

20 24 Code section 321.15 is amended to provide that pamphlets  
20 25 containing Code provisions and rules, which the state  
20 26 department of transportation is required to furnish to county  
20 27 treasurers, may be distributed electronically. A  
20 28 corresponding amendment to Code section 321J.1A allows the  
20 29 department to include educational information about drunk  
20 30 driving in electronically distributed publications as well as  
20 31 in printed form.

20 32 Code section 321.20, which prescribes the requirements for  
20 33 applications for vehicle registration and titling, is amended  
20 34 to allow for acceptance of electronic signatures. In  
20 35 addition, the requirement that the applicant's social security  
21 1 number or passport number and Iowa or other driver's license  
21 2 number be contained on the application is amended to require  
21 3 either the social security number, Iowa driver's license  
21 4 number, or Iowa nonoperator's identification card number of  
21 5 the owner or lessee, or the Iowa driver's license number or

21 6 Iowa nonoperator's identification card number of the primary  
21 7 user if the owner is a nonresident. A related provision in  
21 8 Code section 321.109 is amended to allow a nonresident who  
21 9 purchases a vehicle in this state for removal to another state  
21 10 to list, on the application for title, the purchaser's social  
21 11 security number, passport number, or driver's license number  
21 12 of a license issued in this state, another state, or another  
21 13 country. Also in Code section 321.20, the department's  
21 14 authorization to develop and implement electronic procedures  
21 15 for commercial vehicle registration and titling is expanded to  
21 16 include all motor vehicles.

21 17 Code sections 321.20A and 321.24 are amended to allow the  
21 18 department or county treasurer to deliver a certificate of  
21 19 title to the owner or first secured party of a motor vehicle  
21 20 or commercial vehicle by electronic means. To facilitate  
21 21 electronic procedures, the bill eliminates the requirement  
21 22 that a title application be attached to a certificate of title  
21 23 and the requirement that a certificate of title be typewritten  
21 24 or printed by mechanical means. The bill also provides that  
21 25 if the holder of a security interest cannot be located, the  
21 26 department may authorize issuance of a certificate of title to  
21 27 an owner who provides evidence that the security interest has  
21 28 been extinguished.

21 29 Code section 321.34 is amended to eliminate the requirement  
21 30 that an owner of a motor vehicle surrender the current  
21 31 registration receipt when exchanging regular registration  
21 32 plates for certain special plates.

21 33 Code section 321.42 is amended to specify that fees and  
21 34 surcharges collected for replacement of a certificate of title  
21 35 are not refundable in the event the replacement title is no  
22 1 longer needed.

22 2 The bill strikes requirements in Code sections 321.46 and  
22 3 321.126 that an applicant for a refund of registration fees  
22 4 must provide a copy of the registration receipt. Also, the  
22 5 bill strikes a redundant requirement that a transferee list a  
22 6 driver's license number on the application for title.

22 7 The bill amends provisions in section 321.50 relating to  
22 8 security interests in motor vehicles to allow for electronic  
22 9 procedures and to require that the date of perfection of a  
22 10 security interest is the date the application for the security  
22 11 interest is delivered to the county treasurer. Related Code  
22 12 provisions that refer to security interests in motor vehicles  
22 13 are amended to reflect these changes. The bill repeals  
22 14 redundant amendments passed during the 2003 legislative  
22 15 session which were to take effect in July 2004, and the bill  
22 16 delays the repeal of a provision in Code section 321.50 that  
22 17 sets a deadline for a person who takes possession of a  
22 18 certificate of title to deliver the title to a county  
22 19 treasurer for notation of a security interest. Code section  
22 20 321.50 is also amended to require that an application for a  
22 21 security interest include the federal employer identification  
22 22 number or social security number of the secured party.

22 23 Code section 321.74 is amended to include reports received  
22 24 through the national motor vehicle title information system in  
22 25 the state's file of stolen or embezzled vehicles and to allow  
22 26 for electronic notification of recovered vehicles.

22 27 Code section 321.134 is amended to require the department  
22 28 to waive the penalties imposed for late payment of motor  
22 29 vehicle registration fees for an owner who is in the United  
22 30 States military service and is relocated in time of war on or  
22 31 after September 11, 2001.

22 32 Code section 321.149 is amended to remove the requirement  
22 33 that the documents the department furnishes to county  
22 34 treasurers must be paper documents.

22 35 Code section 321.153 is amended to allow electronic  
23 1 submission of a county treasurer's monthly statement of fees  
23 2 and penalties to the department.

23 3 Code section 321.160 is amended to require the department  
23 4 to maintain a current statement of registered vehicle makes  
23 5 and models rather than update it annually. Also, the bill  
23 6 allows for electronic distribution of the statement.

23 7 Code section 322.13 is amended to remove the requirement  
23 8 that the department mail copies of each new rule or regulation  
23 9 to licensed motor vehicle manufacturers, distributors, and  
23 10 dealers. The department may provide notice via its website.

23 11 Code section 326.15 is amended to allow a qualified fleet  
23 12 owner, to be defined by the department, to certify the  
23 13 destruction of registration plates for motor vehicles subject  
23 14 to proportional registration that are removed from the fleet,  
23 15 rather than return the plates to the department when applying  
23 16 for a refund.

23 17 Provisions in the bill that relate to electronic titling  
23 18 and registration procedures and perfection of security  
23 19 interests take effect January 1, 2005. Otherwise, the bill is  
23 20 effective upon enactment.  
23 21 LSB 5182DP 80  
23 22 dea/cf/24